# Indegene

| | |
|---|---|
| Estimate changes | ↑ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | INDGN IN |
| Equity Shares (m) | 241 |
| M.Cap.(INRb)/(USDb) | 141 / 1.5 |
| 52-Week Range (INR) | 627 / 414 |
| 1, 6, 12 Rel. Per (%) | -2/21/17 |
| 12M Avg Val (INR M) | 225 |

**Financials Snapshot (INR m)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 35,105 | 45,665 | 51,927 |
| Sales Gr. (%) | 23.6 | 30.1 | 13.7 |
| EBITDA | 6,190 | 8,123 | 9,998 |
| EBITDA Margin (%) | 17.6 | 17.8 | 19.3 |
| Reported PAT | 4,011 | 5,431 | 6,933 |
| EPS (Rs) | 16.6 | 22.5 | 28.7 |
| EPS Gr. (%) | -2.4 | 35.4 | 27.7 |
| BV/Share | 130.0 | 149.1 | 173.5 |
| **Ratios** | | | |
| RoE | 13.9 | 16.1 | 17.8 |
| RoCE | 15.6 | 17.1 | 19.1 |
| RoIC | 23.9 | 23.7 | 30.9 |
| **Valuations** | | | |
| EV/Sales | 3.7 | 2.7 | 2.2 |
| EV/EBITDA | 20.7 | 15.2 | 11.7 |
| P/E (x) | 33.6 | 26.1 | 20.4 |
| P/BV (x) | 4.5 | 3.9 | 3.4 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter (%) | 0.0 | 0.0 | 0.0 |
| DII (%) | 15.8 | 8.8 | 7.0 |
| FII (%) | 12.4 | 9.9 | 11.3 |
| Others (%) | 71.8 | 81.3 | 81.7 |

## CMP: INR585 TP: INR718 (+23%) Buy

## All-around beat; FY27 expected to be better than FY26

- Indegene reported a strong 2QFY27 revenue of INR11.2b (+39.5% YoY/ +5.6% QoQ; MOFSLe: INR10.9b), primarily driven by Enterprise Commercial Solutions, which contributed 71.3% to consolidated revenue.
- EBITDA stood at INR1.9b, with a margin of 16.5% (MOFSLe: INR1.7b/margin of 15.5% in), up 6.6% QoQ and 32.1% YoY.
- PAT stood at INR1.1b (MOFSLe: INR1.1b).
- We expect its revenue/EBIT/PAT to grow 30%/32%/35% YoY in FY27 in INR terms, along with mid-teen organic CC revenue growth and a gradual margin expansion. We value the stock at 25x FY28E EPS to arrive at our TP of INR718. **We reiterate our BUY rating on the stock.**

## Our view: Life Sciences and Pharma opex outsourcing key tailwinds

- Management reiterated that FY27 organic revenue growth will exceed FY26 levels, with 2HFY27 expected to outperform 1HFY27, driven by large deal ramp-ups, improving client traction, outcome-based revenue recognition and AI-led productivity gains.
- Large client recovery: A client that slipped below the USD25m+ revenue cohort secured a USD5m+ deal, with management expecting recovery to the higher cohort within 2–3 quarters.
- AI-led growth opportunities: Agentic AOR reduced pharma content development timelines from months to days, driving pilot conversions and opening opportunities for larger enterprise-wide engagements.
- BioPharm-led synergies: Integration of BioPharm's proprietary data and omnichannel capabilities is strengthening cross-selling opportunities, competitive positioning and large-deal conversion.
- Revenue productivity improved, with trailing 12-month revenue per employee increasing to USD79.6k from ~USD69k YoY, supported by GenAI-enabled delivery, workforce transformation and increasing adoption of output-based pricing.
- Deal momentum remained strong, with nine USD1m+ ACV wins, including one USD5m+ deal and two USD3–5m deals. Key wins included content platform migration, a global content factory mandate and global digital content management, with meaningful revenue contributions expected from 4QFY27.
- Cash and investments remained strong at INR13.9b, while net DSO increased marginally to 69 days from 67 QoQ.
- Key monitorables: 1) Revenue ramp-up of the USD10m outcome-based omnichannel contract in 4QFY27, 2) commercial scaling and adoption of Tectonic and Agentic AOR offerings, 3) sustained growth across top-20 clients and customer diversification, 4) achievement of a 19%+ EBITDA margin by 4QFY27, and 5) conversion of strong deal wins into revenue growth and operating leverage in 2HFY27.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**
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## Valuation and view

We raise our earnings estimates considering the impact of new deals and the possibility of increased work outsourcing by global pharma and life sciences companies amid expanding drug pipelines, rising clinical trial activity, and increasing regulatory complexity in the life sciences industry. We expect Indegene to deliver a CAGR of 22%/31%/32% in revenue/EBIT/PAT over FY26-28. **We reiterate our BUY rating** with a TP of INR718 (based on 25x FY28E EPS).

**Quarterly Performance** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | Est. | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 2Q27E | (%/bp) |
| **Revenue (USD m)** | **89** | **92** | **106** | **110** | **113** | **118** | **122** | **127** | **397** | **479** | **115** | **1.9** |
| QoQ (%) | 1.7 | 3.7 | 15.1 | 3.4 | 2.6 | 4.4 | 4.0 | 4.0 | 18.2 | 20.8 | | |
| **Revenue (INR m)** | **7,608** | **8,042** | **9,421** | **10,034** | **10,631** | **11,223** | **11,672** | **12,139** | **35,105** | **45,665** | **10,897** | **3.0** |
| YoY (%) | 12.5 | 17.1 | 30.8 | 32.8 | 39.7 | 39.5 | 23.9 | 21.0 | 23.6 | 30.1 | 35.5 | |
| **GPM (%)** | **36.7** | **35.9** | **39.7** | **37.0** | **38.0** | **39.3** | **39.5** | **39.5** | **37.4** | **39.1** | **37.1** | |
| SGA (%) | **16.3** | **18.4** | **22.8** | **20.7** | **21.6** | **22.7** | **20.5** | **20.5** | **19.8** | **21.3** | **21.6** | |
| **EBITDA** | **1,553** | **1,406** | **1,595** | **1,636** | **1,742** | **1,857** | **2,218** | **2,306** | **6,190** | **8,123** | **1,689** | **9.9** |
| **EBITDA Margin (%)** | **20.4** | **17.5** | **16.9** | **16.3** | **16.4** | **16.5** | **19.0** | **19.0** | **17.6** | **17.8** | **15.5** | **100bp** |
| **EBIT** | **1,337** | **1,172** | **1,199** | **1,218** | **1,301** | **1,393** | **1,868** | **1,942** | **4,926** | **6,504** | **1,253** | **11.2** |
| **EBIT Margin (%)** | **17.6** | **14.6** | **12.7** | **12.1** | **12.2** | **12.4** | **16.0** | **16.0** | **14.0** | **14.2** | **11.5** | **90bp** |
| Finance cost | 37 | 38 | 46 | 72 | 64 | 69 | 40 | 40 | 193 | 213 | 40 | |
| Other Income | 221 | 197 | 194 | 108 | 290 | 150 | 200 | 200 | 720 | 840 | 246 | |
| ETR (%) | 23.5 | 23.3 | 23.6 | 24.2 | 23.9 | 23.8 | 23.8 | 23.8 | 23.6 | 23.8 | 23.9 | |
| **PAT** | **1,164** | **1,021** | **1,029** | **797** | **1,162** | **1,123** | **1,545** | **1,602** | **4,011** | **5,431** | **1,089** | **3.1** |
| QoQ (%) | -1.0 | -12.3 | 0.8 | -2.9 | 16.3 | -3.4 | 37.6 | 3.7 | | | -6.3 | |
| YoY (%) | 32.7 | 11.3 | -6.2 | -15.0 | -0.2 | 10.0 | 50.1 | 60.2 | | 35.4 | 6.7 | |
| EPS (INR) | 4.8 | 4.2 | 4.3 | 3.3 | 4.8 | 4.6 | 6.4 | 6.6 | 16.7 | 22.7 | 4.5 | **2.0** |

**Summary of our revised estimates**

| | Revised | | Earlier | | Change | |
|---|---|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E |
| INR/USD | 95.3 | 95.5 | 93.6 | 94.8 | | |
| Revenue (USD m) | 479 | 544 | 472 | 523 | 1.5% | 3.9% |
| Revenue (INR m) | 45,665 | 51,927 | 44,201 | 49,582 | 3.3% | 4.7% |
| EBITDA (INR m) | 8,123 | 9,998 | 7,958 | 9,618 | 2.1% | 4.0% |
| EBITDA margin(%) | 17.8 | 19.3 | 18.0 | 19.4 | -30bps | -10bps |
| PAT (INR m) | 5,431 | 6,933 | 5,418 | 6,835 | 0.2% | 1.4% |
| EPS (Rs) | 22.5 | 28.7 | 22.4 | 28.3 | 0.4% | 1.5% |

**Exhibit 1: Revenue by service offerings**

| | FY25 | | | | FY26 | | | | FY27 | | Growth | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | YoY | QoQ |
| **Revenue (INR m)** | **6,765** | **6,868** | **7,204** | **7,556** | **7,608** | **8,042** | **9,421** | **10,034** | **10,631** | **11,223** | | |
| Enterprise Medical Solutions | 1,887 | 1,978 | 2,053 | 2,108 | 2,191 | 2,244 | 2,384 | 2,539 | 2,732 | 2,750 | 22.5% | 0.6% |
| % of revenue | 27.9% | 28.8% | 28.5% | 27.9% | 28.8% | 27.9% | 25.3% | 25.3% | 25.7% | 24.5% | | |
| Enterprise Commercial Solutions | 3,748 | 3,860 | 4,892 | 4,254 | 4,276 | 5,509 | 6,689 | 7,194 | 7,505 | 8,002 | 45.3% | 6.6% |
| % of revenue | 55.4% | 56.2% | 67.9% | 56.3% | 56.2% | 68.5% | 71.0% | 71.7% | 70.6% | 71.3% | | |
| Others | 307 | 234 | 259 | 227 | 259 | 290 | 349 | 301 | 393 | 471 | 62.8% | 19.8% |
| % of revenue | 4.5% | 3.4% | 3.6% | 3.0% | 3.4% | 3.6% | 3.7% | 3.0% | 3.7% | 4.2% | | |

Source: Company, MOFSL

**Exhibit 2: Revenue by customer geography**

| | FY25 | | | | FY26 | | | | FY27 | | Growth | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | YoY | QoQ |
| **Revenue (INR m)** | **6,765** | **6,868** | **7,204** | **7,556** | **7,608** | **8,042** | **9,421** | **10,034** | **10,631** | **11,223** | | |
| North America | 4,675 | 4,821 | 4,992 | 5,433 | 5,341 | 5,597 | 6,764 | 7,435 | 7,984 | 8,361 | 49.4% | 4.7% |
| % of revenue | 69.1% | 70.2% | 69.3% | 71.9% | 70.2% | 69.6% | 71.8% | 74.1% | 75.1% | 74.5% | | |
| Europe | 1,887 | 1,854 | 2,010 | 1,859 | 2,062 | 2,171 | 2,402 | 2,328 | 2,360 | 2,570 | 18.4% | 8.9% |
| % of revenue | 27.9% | 27.0% | 27.9% | 24.6% | 27.1% | 27.0% | 25.5% | 23.2% | 22.2% | 22.9% | | |
| India | 47 | 41 | 36 | 68 | 23 | 56 | 38 | 40 | 53 | 45 | -20.3% | -15.5% |
| % of revenue | 0.7% | 0.6% | 0.5% | 0.9% | 0.3% | 0.7% | 0.4% | 0.4% | 0.5% | 0.4% | | |
| ROW | 149 | 151 | 166 | 196 | 183 | 217 | 217 | 231 | 234 | 247 | 13.7% | 5.6% |
| % of revenue | 2.2% | 2.2% | 2.3% | 2.6% | 2.4% | 2.7% | 2.3% | 2.3% | 2.2% | 2.2% | | |

Source: Company, MOFSL

**Exhibit 3: Revenue by customer offerings**

| | FY25 | | | | FY26 | | | | FY27 | | Growth | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | YoY | QoQ |
| **Revenue (INR m)** | **6,765** | **6,868** | **7,204** | **7,556** | **7,608** | **8,042** | **9,421** | **10,034** | **10,631** | **11,223** | | |
| Biopharma | 6,325 | 6,463 | 6,750 | 7,103 | 7,159 | 7,399 | 8,469 | 9,021 | 9,738 | 10,303 | 39.3% | 5.8% |
| % of revenue | 93.5% | 94.1% | 93.7% | 94.0% | 94.1% | 92.0% | 89.9% | 89.9% | 91.6% | 91.8% | | |
| Medical Devices | 183 | 165 | 187 | 196 | 190 | 281 | 396 | 391 | 330 | 337 | 19.6% | 2.2% |
| % of revenue | 2.7% | 2.4% | 2.6% | 2.6% | 2.5% | 3.5% | 4.2% | 3.9% | 3.1% | 3.0% | | |
| Emerging Biotech | 176 | 179 | 180 | 174 | 175 | 249 | 320 | 462 | 351 | 359 | 44.1% | 2.4% |
| % of revenue | 2.6% | 2.6% | 2.5% | 2.3% | 2.3% | 3.1% | 3.4% | 4.6% | 3.3% | 3.2% | | |
| Others | 81 | 62 | 79 | 83 | 84 | 121 | 236 | 161 | 213 | 224 | 86.1% | 5.6% |
| % of revenue | 1.2% | 0.9% | 1.1% | 1.1% | 1.1% | 1.5% | 2.5% | 1.6% | 2.0% | 2.0% | | |

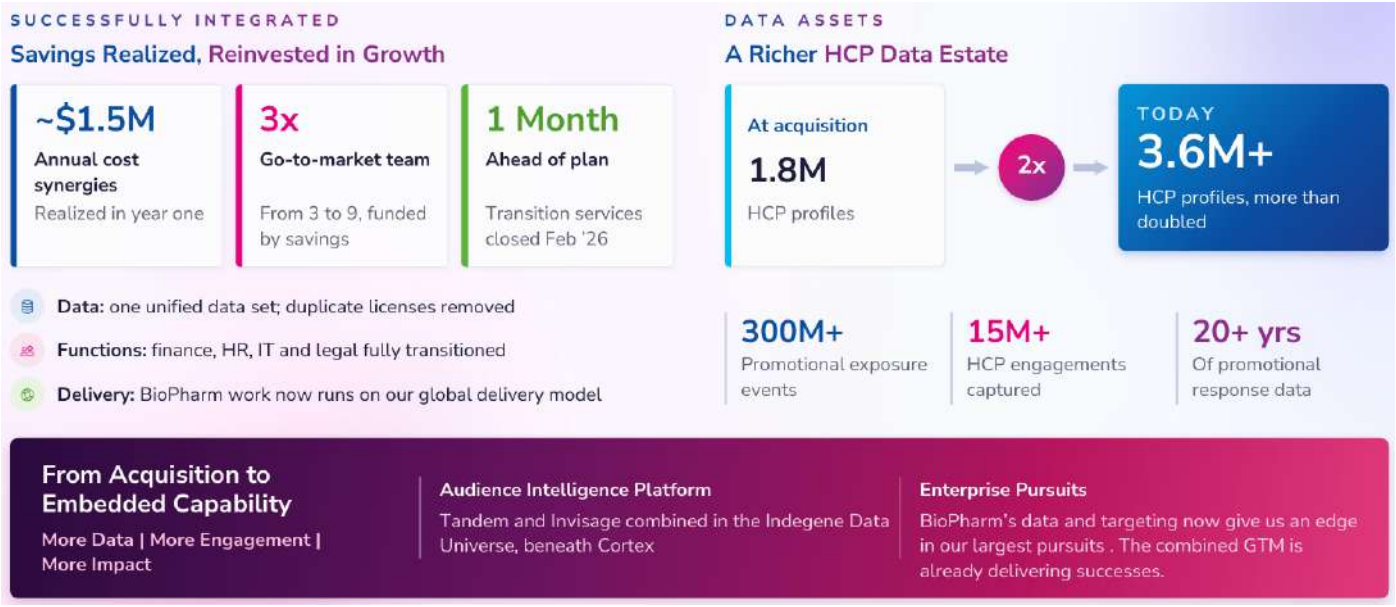
Source: Company, MOFSL

**Exhibit 4: Client data**

| | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 | 2QFY27 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Number of million dollar clients** | | | | | | | | | | |
| >25 million dollar | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 2 |
| 10-25 million dollar | 7 | 8 | 8 | 8 | 7 | 9 | 7 | 7 | 9 | 11 |
| 1-10 million dollar | 26 | 27 | 28 | 31 | 31 | 29 | 42 | 43 | 42 | 46 |
| **Client concentration** | | | | | | | | | | |
| Top Client | 14.3% | 14.4% | 13.6% | 12.0% | 12.4% | 11.0% | 9.5% | 9.3% | 9.0% | 7.8% |
| Top 5 clients | 40.7% | 41.0% | 40.3% | 37.9% | 37.9% | 37.4% | 33.1% | 31.2% | 30.4% | 31.4% |
| Top 10 clients | 59.3% | 58.9% | 56.3% | 56.4% | 56.1% | 55.0% | 48.9% | 47.3% | 45.7% | 49.1% |
| Top 20 clients | 80.6% | 80.0% | 76.9% | 77.2% | 76.2% | 75.2% | 68.7% | 68.6% | 66.6% | 67.3% |

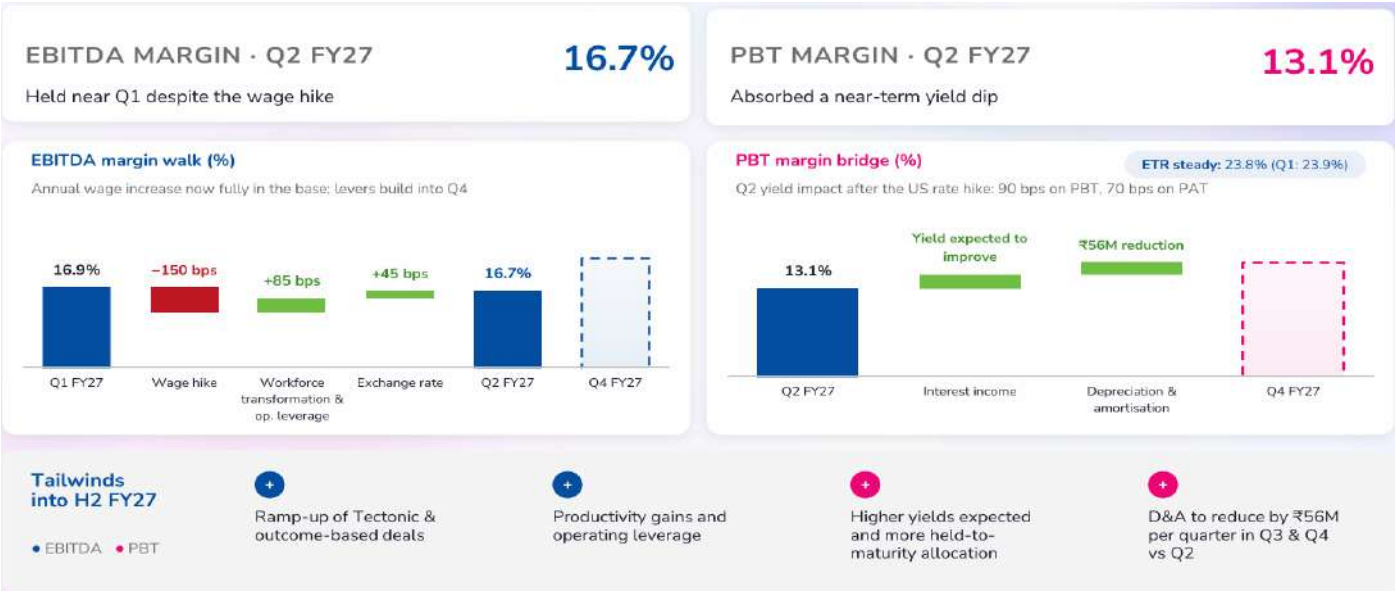
Source: Company, MOFSL

**Exhibit 5: One year of BioPharm: Delivering on the thesis**




Source: Company, MOFSL

**Exhibit 6: 2Q margins firm, drivers in place for expansion**




Source: Company, MOFSL

CONFERENCE CALL

## Key highlights from the management commentary

- In 2QFY27, the company's USD revenue stood at USD117.5m, up 27.5% YoY and 4.4% QoQ, while INR revenue reached INR11.2b, up 39.5% YoY and 5.6% QoQ, marking the fifth consecutive quarter of over 5% sequential growth in INR terms.
- Industry outlook remained positive, supported by improving biopharma funding (+85% YoY to USD69b), rising M&A activity (~USD194b), faster drug approvals and an expanding late-stage drug pipeline, driving demand for commercialization and medical services.
- Deal momentum remained strong, with nine USD1m+ ACV wins, including one USD5m+ deal and two USD3–5m deals. Key wins included content platform migration, a global content factory mandate and global digital content

management, with meaningful revenue contributions expected from 4QFY27 onwards.

- Tectonic's quarterly revenue run rate increased to USD1.7m from USD1m, while contracted business exceeded USD2m per quarter. The platform expanded from Germany to Spain and Canada, although revenue ramp-up remains gradual due to client-side change management and adoption challenges.
- GenAI-led Agentic Agency of Record (AOR) gained traction, with a top-20 pharma client converting a pilot into a USD1m+ engagement. Management aims to integrate Tectonic, Agentic AOR and content production into a unified AI-led commercialization model.
- Revenue productivity improved, with trailing 12-month revenue per employee rising to USD79.6k from ~USD69k YoY, supported by GenAI-enabled delivery, workforce transformation and increasing adoption of output-based pricing.
- Over 60% of revenue is now output/outcome-aligned, with nearly all new deals during the quarter structured around output/outcome-based pricing. Management expects this proportion to increase as existing FTE contracts transition towards hybrid models.
- Client momentum remained healthy, with top-five and top-20 accounts growing 9.2% and 6.7% QoQ, respectively. Active clients increased to 107 (+31 YoY), while USD1m+ clients rose to 59 and USD10m+ clients reached 13.
- Enterprise Commercial contributed ~71% of revenue, followed by Enterprise Medical at ~25%. North America remained the largest geography at 74%, followed by Europe at 23%. Management expects Commercial to outpace medical growth over the next two quarters.
- BioPharm integration progressed well, delivering ~USD1.5m in annual cost synergies, while management expects CY26 revenue growth to exceed 15% YoY. Integration of Tandem and Envisage expanded physician profiles from 1.8m to over 3.6m, strengthening omnichannel and AI-led marketing capabilities.
- EBITDA margin stood at 16.5%, despite ~150bp impact from annual wage hikes, largely offset by productivity improvements and favorable forex. Management reiterated its target of achieving 19%+ quarterly EBITDA margin by 4QFY27, supported by operating leverage and deal ramp-ups.
- USD10m outcome-based omnichannel contract contributed limited revenue in 2QFY27, with a larger contribution expected in 4QFY27 following performance-based revenue recognition, supporting both revenue growth and margin expansion.
- Workforce transformation and productivity initiatives contributed ~85bp to sequential margin improvement. Management expects further benefits from operating leverage, with ~75% of forex exposure for the next two quarters already hedged.
- Cash and investments remained strong at INR13.9b, while net DSO increased marginally to 69 days from 67 days QoQ. Management expects receivables and unbilled revenue to normalize over 2HFY27.
- Management expects lower amortization expenses and improved investment yields to provide a cumulative ~90–95bp benefit to PBT margins in the coming quarters, supporting faster PAT margin expansion relative to EBITDA margins.
- Management reiterated that FY27 organic revenue growth will exceed FY26 levels, with 2HFY27 expected to outperform 1HFY27, driven by large deal ramp-

ups, improving client traction, outcome-based revenue recognition and AI-led productivity gains.

- **Strong client expansion**: A sub-USD1m consulting engagement expanded into a USD3–5m global content factory mandate within one quarter, highlighting strong cross-selling and wallet-share expansion.
- **Large client recovery**: A client that slipped below the USD25m+ revenue cohort secured a USD5m+ deal, with management expecting recovery to the higher cohort within 2–3 quarters.
- **AI-led growth opportunities**: Agentic AOR reduced pharma content development timelines from months to days, driving pilot conversions and opening opportunities for larger enterprise-wide engagements.
- **BioPharm-led synergies**: Integration of BioPharm's proprietary data and omnichannel capabilities is strengthening cross-selling opportunities, competitive positioning and large-deal conversion.
- **Key monitorables:** (1) Revenue ramp-up of the USD10m outcome-based omnichannel contract in 4QFY27, (2) Commercial scaling and adoption of Tectonic and Agentic AOR offerings, (3) Sustained growth across top-20 clients and customer diversification, (4) Achievement of 19%+ EBITDA margin by 4QFY27, and (5) Conversion of strong deal wins into revenue growth and operating leverage in 2HFY27.

## View and Valuation

We raise our earnings estimates considering the impact of new deals and the possibility of increased work outsourcing by global pharma and life sciences companies amid expanding drug pipelines, rising clinical trial activity, and increasing regulatory complexity in the life sciences industry. We expect Indegene to deliver a CAGR of 22%/31%/32% in revenue/EBIT/PAT over FY26-28. **We reiterate our BUY rating** with a TP of INR718 (based on 25x FY28E EPS).

# Financials and Valuation

| Consolidated - Income Statement | | | | | | (INR m) |
|---|---|---|---|---|---|---|
| **Y/E March** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| **Total Income from Operations** | **23,061** | **25,896** | **28,393** | **35,105** | **45,665** | **51,927** |
| Change (%) | 38.5 | 12.3 | 9.6 | 23.6 | 30.1 | 13.7 |
| Employees Cost | 14,648 | 16,516 | 18,152 | 21,977 | 27,813 | 31,543 |
| **Gross Profit** | **8,414** | **9,380** | **10,241** | **13,128** | **17,851** | **20,384** |
| Margin (%) | 36.5 | 36.2 | 36.1 | 37.4 | 39.1 | 39.3 |
| Other Expenses | 4,452 | 4,326 | 4,898 | 6,938 | 9,728 | 10,385 |
| **Total Expenditure** | **19,099** | **20,842** | **23,050** | **28,915** | **37,542** | **41,929** |
| % of Sales | 82.8 | 80.5 | 81.2 | 82.4 | 82.2 | 80.7 |
| **EBITDA** | **3,962** | **5,054** | **5,343** | **6,190** | **8,123** | **9,998** |
| Margin (%) | 17.2 | 19.5 | 18.8 | 17.6 | 17.8 | 19.3 |
| Depreciation | 598 | 761 | 802 | 1,264 | 1,619 | 1,558 |
| **EBIT** | **3,364** | **4,293** | **4,541** | **4,926** | **6,504** | **8,440** |
| Margin (%) | 14.6 | 16.6 | 16.0 | 14.0 | 14.2 | 16.3 |
| Int. and Finance Charges | 313 | 494 | 220 | 193 | 213 | 140 |
| Other Income | 580 | 763 | 1,072 | 720 | 840 | 800 |
| **PBT bef. EO Exp.** | **3,630** | **4,562** | **5,393** | **5,453** | **7,131** | **9,100** |
| EO Items | 0 | 24 | 0 | -203 | 0 | 0 |
| **PBT after EO Exp.** | **3,630** | **4,586** | **5,393** | **5,250** | **7,131** | **9,100** |
| **Total Tax** | **969** | **1,219** | **1,326** | **1,239** | **1,699** | **2,167** |
| Tax Rate (%) | 26.7 | 26.6 | 24.6 | 23.6 | 23.8 | 23.8 |
| **Reported PAT** | **2,661** | **3,367** | **4,067** | **4,011** | **5,431** | **6,933** |
| **Adjusted PAT** | **2,661** | **3,343** | **4,067** | **4,214** | **5,431** | **6,933** |
| Change (%) | 65.4 | 26.5 | 20.8 | -1.4 | 35.4 | 27.7 |
| Margin (%) | 11.5 | 13.0 | 14.3 | 11.4 | 11.9 | 13.4 |

| Consolidated - Balance Sheet | | | | | | (INR m) |
|---|---|---|---|---|---|---|
| **Y/E March** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| Equity Share Capital | 443 | 444 | 479 | 481 | 481 | 481 |
| Total Reserves | 10,194 | 13,847 | 25,677 | 30,906 | 35,523 | 41,416 |
| **Net Worth** | **10,637** | **14,291** | **26,156** | **31,387** | **36,004** | **41,897** |
| Total Loans | 3,943 | 3,334 | 0 | 0 | 0 | 0 |
| Other liabilities | 7,458 | 7,831 | 7,103 | 14,816 | 18,424 | 20,628 |
| **Capital Employed** | **22,039** | **25,456** | **33,259** | **46,203** | **54,428** | **62,525** |
| Gross Block | 1,305 | 1,275 | 1,383 | 1,778 | 2,235 | 2,754 |
| Less: Accum. Deprn. | 899 | 935 | 981 | 1,192 | 1,557 | 1,973 |
| **Net Block** | 406 | 340 | 402 | 586 | 677 | 781 |
| Right-of-use asset | 1,050 | 804 | 947 | 1,354 | 1,508 | 1,662 |
| Intangible assets | 1,924 | 1,984 | 1,862 | 4,833 | 4,261 | 3,970 |
| Goodwill | 3,261 | 3,330 | 3,565 | 11,343 | 11,343 | 11,343 |
| Other Non-Current Assets | 910 | 1,090 | 1,183 | 1,903 | 2,188 | 2,478 |
| **Curr. Assets, Loans&Adv.** | **14,487** | **17,908** | **25,300** | **26,184** | **34,450** | **42,291** |
| Account Receivables | 5,199 | 5,557 | 6,322 | 7,702 | 10,540 | 10,204 |
| Cash and Bank Balance | 6,999 | 9,875 | 16,643 | 14,814 | 19,735 | 27,134 |
| Other Current Assets | 2,289 | 2,476 | 2,335 | 3,668 | 4,175 | 4,952 |
| **Curr. Liability & Prov.** | **4,891** | **6,109** | **5,645** | **10,862** | **13,493** | **15,018** |
| Account Payables | 733 | 1,181 | 934 | 1,807 | 2,036 | 2,067 |
| Other Current Liabilities | 3,663 | 4,250 | 4,034 | 8,257 | 10,447 | 11,806 |
| Provisions | 495 | 678 | 677 | 798 | 1,010 | 1,145 |
| **Net Current Assets** | **9,596** | **11,799** | **19,655** | **15,322** | **20,957** | **27,272** |
| **Appl. of Funds** | **22,038** | **25,456** | **33,259** | **46,203** | **54,428** | **62,525** |

# Financials and Valuation

| Ratios | | | | | | |
|---|---|---|---|---|---|---|
| **Y/E March** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| **Basic (INR)** | | | | | | |
| **EPS** | **12.0** | **15.0** | **17.0** | **17.4** | **22.5** | **28.7** |
| Cash EPS | 14.7 | 18.6 | 20.5 | 22.0 | 29.4 | 35.5 |
| BV/Share | 47.9 | 64.0 | 109.5 | 130.0 | 149.1 | 173.5 |
| DPS | 0.0 | 0.0 | 2.0 | 2.6 | 3.4 | 4.3 |
| Payout (%) | 0.0 | 0.0 | 11.8 | 15.1 | 15.1 | 15.1 |
| **Valuation (x)** | | | | | | |
| P/E | 49.0 | 39.2 | 34.5 | 33.6 | 26.1 | 20.4 |
| Cash P/E | 35.6 | 28.2 | 25.6 | 23.8 | 17.8 | 14.8 |
| P/BV | 12.3 | 9.2 | 5.4 | 4.5 | 3.9 | 3.4 |
| EV/Sales | 5.6 | 4.9 | 4.4 | 3.7 | 2.7 | 2.2 |
| EV/EBITDA | 32.4 | 25.0 | 23.3 | 20.7 | 15.2 | 11.7 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.4 | 0.5 | 0.6 | 0.8 |
| FCF per share | -18.4 | 12.2 | 11.9 | -14.4 | 22.6 | 33.9 |
| **Return Ratios (%)** | | | | | | |
| RoE | 29.1 | 27.0 | 20.1 | 13.9 | 16.1 | 17.8 |
| RoCE | 25.6 | 23.5 | 19.3 | 15.6 | 17.1 | 19.1 |
| RoIC | 38.0 | 31.0 | 32.4 | 23.9 | 23.7 | 30.9 |
| **Working Capital Ratios** | | | | | | |
| Fixed Asset Turnover (x) | 62.1 | 69.4 | 76.5 | 71.1 | 72.3 | 71.2 |
| Asset Turnover (x) | 1.3 | 1.1 | 1.0 | 0.9 | 0.9 | 0.9 |
| Debtor (Days) | 72 | 76 | 76 | 73 | 73 | 73 |
| Creditor (Days) | 60 | 81 | 79 | 72 | 72 | 72 |
| **Leverage Ratio (x)** | | | | | | |
| Current Ratio | 3.0 | 2.9 | 4.5 | 2.4 | 2.6 | 2.8 |
| Interest Cover Ratio | 10.7 | 8.7 | 20.6 | 25.5 | 30.5 | 60.3 |
| Net Debt/Equity | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |

| Consolidated - Cash Flow Statement | | | | | | (INR mn) |
|---|---|---|---|---|---|---|
| **Y/E March** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| PBIT | 3,364 | 4,293 | 4,541 | 4,926 | 6,504 | 8,440 |
| D&A | 598 | 761 | 802 | 1,264 | 1,619 | 1,558 |
| Working capital changes | -2,868 | 428 | -124 | 2,405 | -792 | 1,015 |
| Others | 609 | -824 | -429 | 1,450 | 486 | 203 |
| **Operating cash flow** | **1,703** | **4,657** | **4,790** | **10,045** | **7,817** | **11,216** |
| Taxes | -969 | -1,219 | -1,326 | -1,239 | -1,699 | -2,167 |
| Other Income | 266 | 293 | 852 | 324 | 627 | 660 |
| Cash flow before investing | 1,000 | 3,731 | 4,316 | 9,130 | 6,745 | 9,709 |
| Capex | -3,010 | -509 | -885 | -4,826 | -1,293 | -1,525 |
| Acquisitions | -2,069 | -503 | -581 | -7,781 | 0 | 0 |
| **Free cash flow** | **-4,078** | **2,719** | **2,850** | **-3,477** | **5,452** | **8,184** |
| Dividend Payment | 0 | 0 | -474 | -632 | -815 | -1,040 |
| Equity raising | 337 | 287 | 8,272 | 1,852 | 0 | 0 |
| Debt raising/repayment | 4,368 | -130 | -3,880 | 428 | 284 | 255 |
| Net cash flow | 627 | 2,876 | 6,768 | -1,829 | 4,921 | 7,400 |
| Opening Cash balance | 6,372 | 6,999 | 9,875 | 16,643 | 14,814 | 19,735 |
| **Closing cash balance** | **6,999** | **9,875** | **16,643** | **14,814** | **19,735** | **27,134** |

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|---|---|
| **Investment Rating** | **Expected return (over 12-month)** |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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